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Lebanese Group Linked to C.I.A. Is Tied to Car Bombing Fatal to 80

WASHINGTON, May 12 — A car bombing in a Beirut suburb that killed more than 80 people on March 8 was carried out by people hired by a Lebanese counterterrorism unit that had been working with the Central Intelligence Agency, Congressional and Administration sources said today.

Although the C.I.A. neither authorized the bombing nor knew about it in advance, it caused the Reagan Administration to draw back from efforts to use Lebanese groups to strike against terrorists planning violence against United States installations in the region, the sources said.

The bombing was apparently an unsuccessful attempt on the life of Mohammed Hussein Fadlallah, a militant Shiite leader thought to be responsible for terrorist attacks on United States installations in the Middle East.

Shultz Declines to Comment

The connection between the unit working with the C.I.A., which included Lebanese intelligence agents, and the group that carried out the car bombing was first reported by The Washington Post today.

"We do not comment on stories involving intelligence matters or alleged

intelligence matters," said Anita Stockman, a State Department spokesman, in giving the only official Administration response today. Secretary of State George P. Shultz would not comment directly on the report when questioned by reporters aboard the plane carrying him to Jordan today, but said his views on the need to combat terrorism were well known.

Some Administration officials confirmed aspects of The Post article, but others said it contained what one called "substantial inaccuracies." A knowledgeable Congressional source said the article was essentially accurate.

Proxies and the Pitfalls

While many aspects of the matter remain murky, Congressional and Administration sources disclosed details today that some said showed the pitfalls of working with foreign proxies, who may be difficult to control, in highly sensitive counterterrorism operations.

Senator Daniel Patrick Moynihan, Democrat of New York, said today that he was informed late last year, when he was vice chairman of the Senate Intelligence Committee, that President Reagan had ordered the C.I.A. to develop "a small antiterrorist effort" in the Mideast.

Senator Moynihan said that he had assumed the C.I.A. would work with intelligence agencies and others in Lebanon and elsewhere but that it had not been specified what would be done.

'Good Luck to Them'

"My personal view was good luck to them," he said, adding that that he had no direct knowledge of what had happened since he left the Intelligence Committee in January.

A senior Administration official said today that the C.I.A. was working with a Lebanese unit that, without the agency's knowledge, hired a different group to kill the Shiite leader. It was this second group, the official said, that set off a huge car bomb outside the Shiite leader's home on March 8.

A Congressional source with knowledge of intelligence activities confirmed this account and added that, after the bombing, the covert support operation that Mr. Reagan had ordered was discontinued or cut back.

'A Lebanese Operation'

Two other Administration officials stressed that the unit working with the C.I.A. was not the one that did the car bombing. "We have had operating in the area counterterrorism groups," one said, "but our groups were not involved in this."

"This was a Lebanese operation," he added. "We maintained contact, intelligence contact, with Lebanese intelligence and of course we talked about counterterrorism and planned things together. But this was not our operation and it was nothing we planned or knew about."

Senator Patrick J. Leahy of Vermont, who succeeded Senator Moynihan as vice chairman and senior Democrat on the Intelligence Committee, said today that he could not comment directly on the Lebanese counterintelligence operation but that the C.I.A. had not "volunteered" any information about it to him.

He said he had asked the C.I.A. for information about its counterterrorism activities after hearing about them through press inquiries. And he accused the C.I.A. of taking a narrow, legalistic approach under the law that requires reporting of significant intelligence operations to the Senate and House Intelligence Committees or to their leadership.

"I am sure they would make an argument that they had followed the very strict letter of the law if they had informed the chairman or past chairman," Senator Leahy said, but "it certainly doesn't follow the spirit of the law."

He said he would support efforts by

the Administration to take effective action against terrorists, including both pre-emptive strikes to prevent planned attacks and retaliation after terrorist attacks have been completed against United States installations.

But he said "we ought to do it with our own people and not use surrogates" because foreign units have "their own agenda which may or may not be ours." Using them, he said, "would be sort of like the 'contra' war in Nicaragua, you get the atrocities and things and we don't have control over it."

'Not Adequately Prepared'

"I am very much afraid that we are not adequately prepared to strike," Senator Leahy said.

"I don't think that they have a cohesive, coordinated philosophy or ability to deal with terrorism," he said of the Administration. "I have been trying to stress to the C.I.A. and others that tough talk is not a substitute for action."

Terrorist attacks against United States installations and nationals, especially in Lebanon, have been one of the Administration's most vexing problems.

While Mr. Reagan and other officials have warned that the United States will strike back at terrorists, the groups responsible for such attacks as the bombing that killed more than 241 servicemen in their Beirut barracks in October 1983 have proved elusive, and fear of killing innocent civilians has restrained any efforts to strike at them.

Mr. Shultz has repeatedly said that the United States must be ready to use military force against terrorists. In a speech on Dec. 9, for example, he cited the Talmud as supporting the "universal law of self-defense" and quoted a passage that says, "If one comes to kill you, make haste and kill him first."

Operations Called Ill-Conceived

Robert H. Kupperman, an expert on terrorism at Georgetown University's Center for Strategic and International Studies who has been a consultant for the State and Defense Departments, said the Lebanese operation appeared to be "one of a number of ill-conceived operations" using foreign proxies.

He said the temptation to use foreign units for counterterrorism reflected both the Pentagon's reluctance to use the military for such activities and the C.I.A.'s reluctance to use its own people, especially in light of executive orders by Presidents Carter and Reagan barring C.I.A. involvement in assassinations.

"When you begin to use proxies, unreliable nationals of another nation, you invite nothing but trouble," Mr. Kupperman said. "You also invite a cycle of retaliation."